

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CALIFORNIA CITRUS ADVISORY COMMITTEE (CCAC)
Meeting Minutes
March 29, 2006**

Members Attending

Robert LoBue
Nick Hill
David Roberts
Doug Carman
James Sherwood
Damon Corey
Brett Kirkpatirck
Etienne Rabe
John Eliot

CDFA Representatives

Nate Dechoretz
Gary Manning
Stacey Hughes
Jeff Cesca
Steve Patton
Susan Shelton

Interested Parties

Vic Tolomeo, NASS
Sam Vohrees, Kern County
David Moore, Kern County
Dennis Plann, Fresno County
Bill Martinet, Sunkist
Don Borges, Tulare County
Ron Bray, Riverside County
Ginny Griswold, NASS

ITEM 1: ROLL CALL

The meeting was called to order at 1:08 p.m. Gary Manning called roll and a quorum was established.

ITEM 2: APPROVAL OF DECEMBER 5, 2005 MEETING MINUTES

MOTION: Robert LoBue moved to accept the December 5, 2005 meeting minutes as submitted. John Eliot seconded. The motion passed unanimously.

ITEM 3: AGRICULTURAL STATISTICS UPDATE

Vic Tolomeo discussed the 2005-06 California Valencia Orange Objective Measurement Report. Forecast production is 22 million cartons, 39 percent below last year's season estimated total. The standard weight for cartons is 37.5 pounds.

ITEM 4: AGRICULTURAL STATISTICS BUDGET AND APPROVAL

Vic Tolomeo handed out a copy of the Projected Revenues and Expenditures for the Citrus Statistics Program. This report showed the expected revenues and expenditures from 2005-06 through 2010-11. This proposal reflects cost for an Orange Crop Survey each year and an Acreage Survey every other year. The proposed 2005-06 budget is \$185,000. The proposed 2006-2007 budget is \$305,000 and includes expenditures for an acreage survey. The survey results will be published in the 2006 California Citrus Acreage Report, which will be released July 3.

Jeff Cesca handed out a copy of the CDFA Orange Crop Survey Fund Condition Statement. The fund condition showed that the second payment of \$37,800 was made to the Navel and Valencia Program. The first repayment was in fiscal year 2004/2005.

Orange Crop intends to make a draw from the Bank of America account in July or August for \$164,577 to cover expenses. At the end of the current fiscal year, after revenue and expenditures, there will be approximately \$85,000 left in the fund balance.

MOTION: Robert LoBue moved to approve the 2005-06 orange crop budget of \$185,000. Nick Hill seconded. The motion passed unanimously.

ITEM 5: COUNTY INSPECTION RESULTS AND APPROVAL OF EXPENDITURES

Fresno, Kern, Riverside, San Bernardino, Santa Clara, Tulare, and Ventura counties monthly activity reports were presented. The counties in attendance presented their individual information. The information reported included: how many premises were inspected, the number of lots and containers that were inspected and rejected, the number of maturity tests completed, county costs, etc. A handout was given to the committee members containing this information.

Actual County costs to-date are as follows:

FRESNO CO.	\$ 87,995
KERN CO.	\$ 66,369
RIVERSIDE CO.	\$ 17,496
SAN BERNARDINO CO.	\$ 797
SANTA CLARA CO.	\$ 4,368
TULARE CO.	\$168,601
VENTURA CO.	\$ 10,066

The total costs are: \$355,692

MOTION: Robert LoBue moved to approve the county expenditures. John Eliot seconded. The motion passed unanimously.

ITEM 6: APPROVAL OF COUNTIES' PROPOSED BUDGETS FOR 2006/2007 SEASON

The budget proposals for the 2006/2007 California Citrus Program are as follows:

FRESNO CO.	\$150,998.00
KERN CO.	98,321.70
RIVERSIDE CO.	19,318.00
SAN BERNARDINO CO.	13,168.47
SANTA CLARA CO.	5,057.03

TULARE CO.	185,698.00
VENTURA CO.	21,271.73

The total proposed budget amount is: \$493,832.93

There was discussion regarding the differences between the contracts and questions about some of the contract amounts. Dennis Plann of Fresno County explained that the hourly rate would vary between the counties because those fees are set by each of the counties board of supervisors.

Stacey Hughes explained that each contract is supposed to be based on a twelve-week maturity program. It was pointed out that some of the contract amounts have not been amended to reflect a reduction in crop production and packinghouse facilities within certain counties. Also some counties may be including costs for freeze work that others are not.

Stacey Hughes stated that the department would put together guidelines for the counties to use when submitting their 2007/2008 contracts.

MOTION: John Eliot moved to approve the total county budget as submitted. Nick Hill seconded. The motion passed unanimously.

ITEM 7: REVENUE REPORT/FUND BALANCE

Gary Manning gave the committee copies of the Citrus Program's Summary of Crop Year Revenue. He noted the months are reported when CDFA receives the assessments not necessarily when the cartons are shipped. Revenues and balances from October 2006 through February 2006 are:

Valencia Revenue (Orange Crop)	\$ 19,479.97
Valencia Revenue (Standardization)	14,609.97
Navel Revenue (Orange Crop)	37,469.23
Navel Revenue (Standardization)	112,407.68
Lemon Revenue	3,688.16
Mandarin Revenue	3,136.71
Navel/Valencia Fund Balance	51,625.00
Bank of America Fund Balance	1,622,015.00

ITEM 8: BANK OF AMERICA MONTHLY DRAWS

Gary Manning handed out a proposed schedule of draws from the Bank of America account for 2007. These draws would cover county contracts, citrus freeze, and miscellaneous expenses. The proposed draw in January 2007 would be \$625,000 and in March \$493,833 (contingent on freeze needs). Orange crop expenses will also be drawn from BofA and transferred to the Ag Fund.

MOTION: Robert LoBue moved to continue maintaining the Bank of America account and to make the scheduled draws as proposed. John Eliot seconded. The motion passed unanimously.

ITEM 9: STANDARDIZATION FEE ASSESSMENT

Gary Manning reviewed the status of the standardization fee assessment. He explained that prior to 2002, CDFA had a reserve that was quite high and was collecting more in annual assessments than could be spent. This was primarily due to a State hiring freeze and the inability to hire additional inspectors. The standardization committee discussed decreasing the mil assessment and was informed that a 50% reduction would rectify the over-collection and reduce the reserve. At that time it was projected that the program could operate for approximately two years without negative impact. However, at the end of that time the excess reserve would be used and assessments would again have to go back up in order to cover expenses.

On March 15, 2006 the Standardization committee voted to direct CDFA to complete the administrative work necessary to return the standardization assessment to 1 mil (\$.001) for mandatory assessments and 3 mils (\$.003) for non-mandatory assessments established under Section 42807 of the CA Food and Agriculture Code. Gary asked for the CCAC's support in this endeavor.

MOTION: Robert LoBue moved to support CDFA in the effort to return the standardization assessment to the original mil fees. Brett Kirkpatrick seconded. The motion passed unanimously.

ITEM 10: MANDARIN FREEZE ASSESSMENT

Per the committee's request, Gary Manning presented a revenue projection for a mandarin freeze assessment. He reported the expected revenue for 1 mil through 4.5 mils. The committee decided to revisit this topic at the September meeting.

ITEM 11: NEXT MEETING

The next meeting will be September 20, 2006 in Tulare, CA at 1:00 P.M.

ITEM 12: ADJOURNMENT

As there was no other business to discuss, the Committee adjourned at 3:38 p.m.

Respectfully submitted by:

Gary Manning, Program Supervisor
Inspection and Compliance Branch
Inspection Services

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